

COPY

C/041/002 Incoming

#3610

OK

Sufco Mine
597 South SR24
Salina, Utah 84654
(435) 286-4880
Fax (435) 286-4499

September 23, 2010

Permit Supervisor
Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, Utah 84114-5801

Re: New Sand and Salt Storage Bin, to the Canyon Fuel Company, LLC, Sufco Mine, Permit
Number C/041/0002

Dear Permit Supervisor:

The enclosed eight complete clean copies of the Sand and Salt Storage Bin are being submitted per the Division's conditional approval letter dated September 8th, 2010. Enclosed are DOGM forms C-1 and C-2 and appropriate pages.

If you have any questions or need additional information, please contact Leland Roberts at (435) 286-4483.

Sincerely,
CANYON FUEL COMPANY, LLC
SUFCO Mine


Kenneth E. May
General Manager

Encl.

KEM/FLR:kb

cc: DOGM Correspondence File

sufpub\govt2010\dogmmrp\MRP Salt Bin-Final ltr.doc

File in:

☐ Confidential

☐ Shelf

☒ Expandable

Date Folder 10042010 C/04100002

See: Incoming For additional

Sufco Mine

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OCT 04 2010

DIV. OF OIL, GAS & MINING

APPLICATION FOR COAL PERMIT PROCESSING

COPY

Permit Change ☒ New Permit ☐ Renewal ☐ Exploration ☐ Bond Release ☐ Transfer ☐

Permittee: CANYON FUEL COMPANY, LLC

Mine: SUFCO MINE

Permit Number: C/041/0002

Title: Sand and Salt Storage Bin

Description, Include reason for application and timing required to implement:

A new conveyor for lump coal and a concrete sand and salt storage bin. Constuction start 10/1/2010

Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Change in the size of the Permit Area? Acres: _____ Disturbed Area: _____ <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? DO# _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. Does the application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. Does the application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. Does the application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. Does the application require or include public notice publication? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? NOV # _____ |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? |

Explain: _____

- | | |
|---|--|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2) |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 15. Does the application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps or calculation? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 22. Does the application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

KENNETH E. MAY, MINE MANAGER
Print Name

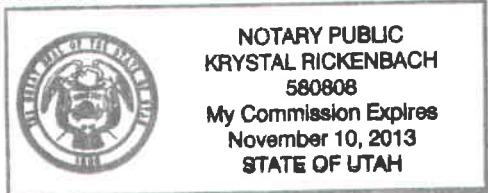
Sign Name, Position, Date

5/27/10

Subscribed and sworn to before me this 27 day of Sept., 2010

Notary Public

My commission Expires: _____, 20____ }
Attest: State of _____ } ss:
County of _____



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DIV. OF OIL, GAS & MINING

COOPY

Title: Sand and Salt Storage Bin

Form DOGM - C2 (Revised March 12, 2002)

TABLE 5-4

Description of Existing Structures

Structure	Construction Date	Construction Materials
Ambulance Garage	Summer 2007	Pre-Engineered Steel
Belt Deicer Tank	Fall 1994	Steel
Bulk & Used Oil Storage	Fall 1977 / Fall 2004	Steel & Concrete
Cap Magazine	Summer 1982	Steel & Wood
Chlorinator Building	Summer 1979	Steel
Covered Storage	Summer 1979	Concrete Block
Diesel Tank	Fall 1996	Steel & Concrete
Drainage Culverts	Summer 1976	Steel
Electrical Building	Summer 1977	Concrete Block
Fan	Winter 1980	Structural Steel
Fire Water Tank - 300,000	Spring 2002	Steel & Concrete
Fuel Dock	Summer 1976	Concrete
Guard House	Summer 1977	Wood
Load-Out Belt	Summer 1975	Structural Steel
Lower Stacker Coal Storage	Summer 1975	Structural Steel
Lump Coal Belt	Fall 2010	Structural Steel
Lump Coal Storage	Fall 1981, Fall 1982	Concrete
No. 1 Belt	Fall 1977	Structural Steel
Office Building	September 1973 / 1990 / 2006	Pre-Engineered Steel
Powder Magazine	Summer 1982	Steel and Wood
Pulley Racks	Summer 1991	Steel
Pump Houses	Summer 1967 and 1975	Wood Frame & Metal
Rock Dust Bin	Fall 1976, Summer 1982	Structural Steel

TABLE 5-4 (Continued)

Description of Existing Structures

Structure	Construction Date	Construction Materials
ROM Coal Storage	Winter 1988	Struct. Steel/Concrete
ROM MCC Building	Winter 1988	Concrete Block
Sampler Building	Fall 2003	Structural Steel
Sand & Salt Storage	Fall 2010	Concrete
Seal Portals		Concrete
Sediment Trap	Summer 1979	Concrete
Septic Tanks	Summer 1976 / Summer 2006	Steel / Concrete
Shelves	Summer 1990	Steel
Shop Garage	Summer 1989	Pre-Engineered Steel
Shop Office	Summer 1977	Wood
Side Release Tank	Fall 1997	Steel
Steam Cleaner Building	Fall 1981	Concrete
Stoker Belt	Fall 1977	Structural Steel
Stoker Bin	Fall 1977	Structural Steel
Stoker Coal Storage	Fall 1982	Concrete
Stoker Oil Tanks	Fall 1977 / Fall 2004	Steel & Concrete
Storage Trailers	1975	Wood & Aluminum
Substation - Lower	Fall 1991 / Fall 2006 -2007	Steel /Concrete / Binwall
Ticket Printers	Summer 1996	Steel
Tipple Building	Fall 1977 / Mod. Fall 2008	Structural Steel & Concrete
Tipple MCC Building	Summer 2005	Concrete Block
Tipple Office Building	Fall 1977	Concrete Block

Side USFS Public Stock Trail and Link Canyon Road), for the performance of subsidence surveys, or for the collection of environmental monitoring data. These public roads are, therefore, classified as primary roads because they will be retained for an approved postmining land use after mine reclamation.

5.2.7.2 Description of Transportation Facilities

No surface conveyors (other than those in the mine yard immediately adjacent to the portals) or rail systems have been or will be constructed, used, or maintained within the permit area.

Conveyor Specifications. The conveyors within the surface facility complex are used to transport and stockpile coal. These conveyor locations are shown on Plate 5-2A. The No. 1 Belt, Loadout Belt, and ROM Belts are 54" covered rigid structure conveyor belts. The Stacker Conveyor and Stoker Belt are 42" covered rigid structure conveyor belts. The Reclaim Belts are 42" uncovered catenary conveyor belts. The lump coal conveyor is a 36" covered rigid structure conveyor belt.

Road Specifications. Cross sections and profiles of roads that are used or maintained by SUFCO Mine are provided on Plate 5-9 and 5-2D. Information regarding road drainage structures is presented in Chapter 7.

The mine access road is a county road that extends from Interstate Highway 70 to the mine (a distance of 9.95 miles). This road is classified as a collector road in the State collector system. It was upgraded from a dirt Forest Service road in 1977.

The Utah Department of Transportation (UDOT) coordinated the upgrade of the road under a contract between Coastal States Energy Company, Sevier County, and UDOT. Coastal States initially paid for the work and was later reimbursed by the state under provisions of the Resource Development Act of 1975.

The road has a 28-foot finished width. The reconstruction consisted of 17.5 inches of untreated base course followed by 2.5 inches of gravel sub-base. The first paving course was a 3-inch bituminous

Bonding Calculations

Direct Costs

Subtotal Demolition and Removal	\$1,074,000.00
Subtotal Backfilling and Grading	\$548,005.00
Subtotal Revegetation	\$171,967.00
Direct Costs	\$1,793,972.00

Indirect Costs

Mob/Demob	\$179,397.00	10.0%
Contingency	\$89,699.00	5.0%
Engineering Redesign	\$44,849.00	2.5%
Main Office Expense	\$121,990.00	6.8%
Project Mainagement Fee	\$44,849.00	2.5%
Subtotal Indirect Costs	\$480,784.00	26.8%

Total Cost	\$2,274,756.00
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Escalation factor	0.005
Number of years	4
Escalation	\$45,837.00

Reclamation Cost Escalated	\$2,320,593.00
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Bond Amount (rounded to nearest \$1,000) 2009 Dollars	\$2,321,000.00
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Posted Bond	\$2,874,000.00
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Difference Between Cost Estimate and Bond	\$553,000.00
Percent Difference	19.24%

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Ambulance Garage																			\$2,504.00
	Belt Deter. Tank																			\$13.00
	Blast Channels A																			\$143,211.00
	Blast Channels B																			\$53,488.00
	Bulk and Used Oil Storage																			\$1,518.00
	Cap Magazine																			\$22.00
	Chlorinator Bld																			\$18.00
	Covered Storage																			\$17,169.00
	Diesel Tank																			\$995.00
	Drainage Culverts																			\$15,944.00
	Electrical Bld																			\$602.00
	Fan																			\$7,781.00
	Fire Water Tank 300000 Gal																			\$11,126.00
	Fuel Dock																			\$928.00
	Guard House																			\$349.00
	Loadout Belt																			\$2,593.00
	Lower Stacker Coal Storage																			\$2,149.00
	Lump Coal Belt																			\$533.00
	Lump Coal Storage																			\$2,215.00
	No 1 Belt																			\$3,404.00
	Office Building																			\$67,377.00
	Pavement Removal																			\$29,153.00
	Power Magazine																			\$22.00
	Power Racks																			\$3,040.00
	Pump House																			\$972.00
	Pump Elbow Fabric																			\$259,568.00
	Rock Dust Bin																			\$3,557.00
	ROM Coal Storage																			\$21,139.00
	ROM MCC Bld																			\$1,022.00
	Sample Building																			\$991.00
	Sand and Salt Storage																			\$1,516.00
	Seal Portals																			\$62,400.00
	Sediment Trap																			\$1,533.00
	Septic Tanks																			\$0.00
	Shelves																			\$3,763.00
	Shop and Warehouse																			\$90,022.00
	Shop Garage																			\$11,941.00
	Shop Office																			\$2,322.00
	Side Release Tank																			\$161.00
	Steam Cleaner Building																			\$7,713.00
	Stoker Belt																			\$8,011.00
	Stoker Bin																			\$8,755.00
	Stoker Coal Storage																			\$8,626.00
	Stoker Oil Tanks																			\$1,539.00
	Storage Trailers																			\$1,256.00
	Substation Lower*																			\$72,822.00
	Substation Upper*																			\$0.00
	Ticket Printers																			\$69.00
	Tipple Building																			\$36,194.00
	Tipple MCC Building																			\$2,759.00
	Tipple Office Building																			\$3,161.00
	Transfer Building																			\$10,303.00
	Trash Pit																			\$542.00
	Truck Loader Bin																			\$1,895.00
	Truck Scale																			\$36,352.00
	Water Tank Upper																			\$0.00
	Water Tank Lower																			\$0.00
	Link Canyon Facilities																			\$8,042.00
	Link Canyon Portals																			\$39,150.00
	Link Canyon Portals																			\$2,591.00
	Link Canyon Substation																			\$19,086.00
	Fourth East Facilities																			
	Fan Generator Building																			
	Four East Fan																			
	Total																			\$1,074,000.00

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Lump Coal Storage																			
	Structure's Demolition Cost																			
	Structure's Vol. Demolished																			
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Steel Truck																			
	Transportation Cost Steel Truck Drive																			
	Disposal Cost Steel																			
	Subtotal																			
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo.1	3.97 /CY							35					CY		110 CY	437	
	Concrete's Vol. Demolished																	143 CY		
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.39 /CY														143 CY		
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md.	02315 490 0320	3.44 /CY														143 CY	199	
	Disposal Costs	On site disposal	02220 240 5550	7.6 /CY														143 CY	1087	
	Subtotal																		2215	
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			2215

Ref.	Description	Materials	Means Reference Number	Unit Cost	Unit	Length	Width	Height	Diameter	Area	Volume	Weight	Density	Time	Number	Unit	Swell Factor	Quantity	Unit	Cost
	Lump Coal Belt																			
	Structure's Vol. Demolished	Steel Bld. Large	02220 110 0012	0.2 /CF		80	4	3								FT		960 CF		192
	Structure's Vol. Demolished																0.1	4 CY		
	Rubble's Weight (exclude steel)																			
	Truck's Capacity																			
	Haulage																			
	Transportation Cost Non Steel Truck																			
	Transportation Cost Non Steel Drive																			
	Disposal Cost Non Steel																			
	Steel's Weight																			
	Truck's Capacity										16					CY			0 Trips	
	Haulage														3				Trip/Day	
	Transportation Cost Steel Truck	Truck dump 16 ton payload	01590 200 5300	435.96 /day																0
	Transportation Cost Steel Truck Drive	Truck Driver, Heavy	Trhw	\$42.00 HR																0
	Disposal Cost Steel																			0
	Subtotal																			192
	Equipment's Disposal Cost																			
	Dismantling Cost																			
	Equipment's Vol. Demolished																			
	Loading Costs																			
	Transport Costs																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost	Concrete demolition	ConcreteDemo1	3.97 /CY							17.07					CY		17 CY		67
	Concrete's Vol. Demolished																1.3	22 CY		31
	Loading Cost	Front end loader 3 CY	02315 424 1300	1.39 /CY														22 CY		76
	Transportation Cost	12 CY (16 Ton) Dump Truck 1/2 mi. md. trf	02315 490 0320	3.44 /CY														22 CY		167
	Disposal Costs	On site disposal	02220 240 5550	7.6 /CY														22 CY		341
	Subtotal																			
	Concrete Demolition																			
	Demolition Cost																			
	Concrete's Vol. Demolished																			
	Loading Cost																			
	Transportation Cost																			
	Disposal Costs																			
	Subtotal																			
	Total																			533